

Basis for the new claims 81-88 added by this amendment made be found in the '231 patent Abstract, claims 2, 5, 8, and the Detailed Specification at least at column 2, line 49, column 3, line 26-27, and element 111 in Fig. 1.

Additionally, changes have been made to the claim language rearranging words at the examiner's suggestion in order to obviate various section 112 indefiniteness rejections. These limitations were already present in the claims and are merely rearranged.

REMARKS

As noted above, all independent claims, namely, 1, 16, 32, 41, 51, 60, 69, and 75 have been amended to delete or otherwise recite without the phrase "which is not a NOW account."

Further as noted above, all independent claims, namely, 1, 16, 32, 41, 51, 60, 69, and 75 have been amended to add or otherwise recite that the deposit of funds to or the withdrawal of funds from the single insured money market deposit account is "by way of an intermediate bank."

Additionally, all systems claims have been cancelled including original claims 4-15 and previously added system claims. Applicants will pursue the system claims in another application.

New dependent claims 81-88 were added by this amendment, each dependent on a different independent claim, to cover at least withdrawals from the individual client accounts made by debit card.

Pursuant to 37 C.F.R. 1.178(b), Applicants state that they have no current knowledge of, and do not believe there are any prior or concurrent proceedings in which the '231 patent is involved, including interferences, reissues, reexaminations, or litigations.

Applicants respectfully request entry of the foregoing amendments and remarks into the file of the above-captioned reissue application. These claims do not recapture any subject

matter that might have been surrendered during prosecution of the application issuing as the '231 patent.

It is submitted that some of the claims may be broader in some respects than claims in the '231 patent. This is proper because this reissue application was filed within two years of the grant on April 16, 2002 of the '231 patent. Applicants reserve their right to submit during the prosecution of this application and after April 16, 2004 further claims that are broader than the claims of the '231 patent. See MPEP section 1412.03.

The examiner should be aware that the following co-pending patent applications disclosed in an IDS are related and have similar claims and some of these applications have received office actions:

10/825,440 fld 4-14-04 (Current application)
09/677535 fld 10-2-00 (Office Action with rejection)
10/071,053 fld 2-8-02 (Office Action with rejection)
10/305,439 fld 11-26-02 (Office Action with rejection)

The examiner is directed to review these other co-pending applications as he deems appropriate.

Some claims in a co-pending application were rejected under 35 USC 102(b) for a public use or on sale activity based on an advertisement first appearing in 1997 and provided by means of an IDS submitted by applicants on March 2, 2007. That IDS contained copies of the advertisement and also a Declaration by Mr. Bruce Bent II, the Vice Chairman and President of the assignee, Reserve Management Corporation ("The Reserve"). In his Declaration, Mr. Bent provides a detailed description of the financial operation used to provide the product in the advertisement. Specifically, Mr. Bent declared that

These accounts were set up with Chase Manhattan Bank by means of a September 1997 Agreement. The insured money market account with free, unlimited, no minimum checking referenced in this advertisement was intended to be implemented and was ultimately implemented to a first customer (which was a retail customer of The Reserve) on

October 23, 1997, by means of a money market deposit account (MMDA) and a linked demand deposit account (DDA) in a single bank, the Chase Manhattan Bank, wherein requests for withdrawal were handled by messenger to allow unlimited withdrawals from the MMDA, and wherein each retail customer deposited directly to or withdrew funds directly from another DDA in the Chase Manhattan Bank.

The DDA in the Chase Manhattan Bank, referred to as the subscription DDA, was registered to The Reserve (the assignee) and the retail customers interfaced with this subscription DDA account by means of Reserve checks drawn to this DDA account. The Reserve deposited the funds from this subscription DDA registered at Chase Manhattan Bank in the name of The Reserve to the money market deposit account (MMDA) at the Chase Manhattan Bank registered as ***“RMC as agent for the exclusive benefit exclusive of its clients acting for itself and others”*** to obtain the pass through insurance for the underlying Reserve customers, and interest on the funds. Withdrawals from the MMDA were handled by messenger to a different demand deposit account (DDA) at the Chase Manhattan Bank also registered as ***“RMC as agent for the exclusive benefit exclusive of its clients acting for itself and others”*** to obtain the pass through insurance for the underlying Reserve customers, and then transferred from this different DDA to the subscription DDA registered in the name of The Reserve at the Chase Manhattan Bank.

The reissue claim language *“withdrawing funds from said single insured money market deposit account based on the net transaction and by way of an intermediate bank; preserving via a manner of making the transfers and/or withdrawals from said single insured money market deposit account the interest-bearing status of the single insured money market deposit account regardless of the number of said transfers and/or withdrawals from said single insured money market deposit account actually made during a month;”* when combined with the other claim elements, defines a novel and non-obvious invention that distinguishes over this early financial activity. The use of an intermediate bank for deposits and withdrawals allows an aggregation of deposits and withdrawals from a plurality of different customers at the intermediate bank over a period of time, for example 4 hours, or a

day, thereby providing a mechanized way for regional banks to gain access and use via the intermediate bank to funds in other regions via becoming a designation bank with an FDIC-insured deposit account (MMDA) in the system. The use of an intermediate bank facilitates a decision-making and funneling process by the intermediate bank of funds to one or more different banks based on one or more criteria, such as for example, an amount of funds a given client had in a particular FDIC insured deposit institution, or the number of withdrawals made from a given account at the given FDIC insured deposit institution over the last month. This is counter-intuitive from a business standpoint, as a bank normally would not be willing to give deposits from its customers to another bank to use for that other bank's banking purposes. Thus, the use of an intermediate bank to funnel deposits to or withdrawals from a bank holding the FDIC-insured and interest bearing aggregate deposit account was not disclosed or suggested by the cited Advertisement or the actual implementation by The Reserve.

'439 Examiner Query: The Examiner requested information on evidence to discern whether applicant's statements regarding the public use of the invention being on October 23,1997 are correct. The examiner in his query stated that the advertisement may still be viewed as an offer for sale of applicant's invention that is an attempt at market penetration (which is patent barred). Even if, as the declaration suggests, there is a bona fide experimental activity via the dummy accounts, as submitted by the applicant in Exhibit D, an inventor *may not* (emphasis added) commercially exploit an invention more than ONE YEAR prior to the filing date of the application.

Response: Note that for purposes of the present patent application prosecution including patent prosecution appeals, it should be assumed that the type of account advertised in the 1997 advertisement is prior art, but that applicants reserve their right to challenge this assumption in any subsequent non-prosecution litigation proceedings.

However, in the advertised and implemented service in 1997, the customers interfaced with the subscription DDA account in the Chase Manhattan Bank by means of Reserve checks drawn to this subscription DDA account registered to The Reserve. The Reserve

deposited the funds from this subscription DDA registered at Chase Manhattan Bank in the name of The Reserve to a money market deposit account (MMDA) at the Chase Manhattan Bank registered in the name of The Reserve in the manner noted above to thereby obtain FDIC insurance and interest on the funds. Withdrawals from this MMDA were handled by messenger to a different demand deposit account (DDA) at the Chase Manhattan Bank registered in the name of The Reserve in the manner noted above, and then transferred from this different DDA to the subscription DDA registered to The Reserve at the Chase Manhattan Bank.

Thus, the referenced 1997 advertisement and its subsequent implementation prior to the October 1998 priority date by The Reserve did not disclose or suggest the use of an intermediate bank (the Chase Manhattan Bank) to funnel deposits to or withdrawals from a different bank holding an FDIC-insured and interest bearing aggregate deposit account (MMDA). Accordingly, as noted above there could be no decision-making and funneling by the intermediate bank of funds to one or more different banks based on one or more criteria, such as for example, an amount of funds a given client had in a particular FDIC insured deposit institution, or the number of withdrawals made from a given account at the given FDIC insured deposit institution over the last month. Additionally, from a bank viewpoint, this system and method provided a mechanized way for regional banks to gain access and use via the intermediate bank to funds in other regions via becoming a designation bank with an FDIC-insured deposit account (MMDA) in the system. The section of the Declaration of Bruce Bent II quoted above provides details of the account that was to be the basis for this advertisement in 1997. The interaction was the customers of The Reserve interfacing at the Chase Manhattan Bank by means of Reserve checks drawn on the subscription Account with the Chase Manhattan Bank with deposits and withdrawals then made to the MMDA at the same bank. There was no use of an intermediate bank in the operation.

USE AND ON SALE: The first time The Reserve implemented a system where one bank was an intermediary bank holding a subscription account to receive funds from a plurality of customers, and then forwarding those funds to an MMDA deposit account at a different bank was April 2001. The Chase Manhattan Bank operated as the intermediary

bank and Centurion Bank was used as the bank with the interest-bearing FDIC-insured deposit account (MMDA).

In this regard, The Reserve maintained in its name at the Chase Manhattan Bank a working DDA accounts called a subscription demand deposit account (DDA), a money market deposit account (MMDA) registered as ***"RMC as agent for the exclusive benefit exclusive of its clients acting for itself and others"*** to obtain the pass through insurance for the underlying Reserve customers, as well as a different demand deposit account (DDA) also registered as ***"RMC as agent for the exclusive benefit exclusive of its clients acting for itself and others"*** to likewise obtain the pass through insurance for the underlying Reserve customers, for making withdrawals via a messenger from the Chase MMDA. An agreement with the American Express was signed on April 26, 2001 to deposit American Express funds in an MMDA at the Centurion Bank, but with FDIC insurance only up to \$100,000 per customer (thus, multi-bank programming as used for serial number 09/677,535 was not used in this arrangement with American Express). A DDA and an MMDA were established at the Centurion Bank, both registered as ***"RMC as agent for the exclusive benefit exclusive of its clients acting for itself and others,"*** to obtain the pass through insurance for the underlying customers. In that process, the Reserve deposited funds to Centurion by transferring funds from the subscription DDA in the Chase Manhattan Bank funds registered to The Reserve to the FDIC-insured money market deposit account (MMDA) registered as noted above at Centurion Bank. Withdrawals were made by a messenger from the MMDA at the Centurion Bank to the DDA registered as noted above at Centurion Bank, and then transferred from the Centurion DDA to the subscription DDA registered in the name of The Reserve at the Chase Manhattan Bank.

The agreement between The Reserve and Centurion Bank to effect this process was signed on April 26, 2001. In addition, there was a subsequent agreement with Irwin Union Bank that was signed on July 9, 2001 for an operation using an intermediate bank in a multi-MMDA process to obtain more than \$100K of insurance per account. A first mailer for FDIC insurance up to \$200K was created and approved for use by The Reserve in August 2001. See **Exhibit A**. A subsequent press release (**Exhibit B**) for accounts with \$200K of FDIC insurance was issued on October 8, 2001. The first customized Insured Deposit program to offer more than a \$100,000 of FDIC Insurance per account was via the Bank of New York

(BONY), with the agreement signed in April 2002. The program went live shortly thereafter. BONY did advertise the product. It was part of their Check Invest Program. (Note that there was activity between Irwin Union Bank and The Reserve in March of 2001 relating to a different product, the Reserve Return Sweep product, which maintained deposits within a single bank. See **Exhibit C**. The Reserve Return Sweep product did not relate to multiple banks or FDIC insurance for accounts over \$100K or intermediary banks. The Reserve launched the Reserve Return Sweep product in 2000 with Frontier Bank. See **Exhibit D**.)

Additionally, the examiner should be aware that a similar query for more information was received in subsequently filed serial number 10/071,053 (filing date 02/08/02) with related claims based on the IDS' filed on October 20, 2006 and March 1, 2007. The March 1, 2007 IDS contained copies of an advertisement and also a Declaration by Mr. Bruce Bent II, the Vice Chairman and President of the assignee, Reserve Management Corporation. In his Declaration, Mr. Bent provides a detailed description of the financial operation used to provide the product in the advertisement.

'053 INQUIRY 1: additional information is required regarding any use of the claimed invention prior to October 21, 1997 including, without limitation, the use related to the October 9, 1997 date originally listed in the Trademark cited in the IDS, and date of first use of any products, services and/or systems covered by the claims?

Ans:-- Note that for purposes of the present patent application prosecution including patent prosecution appeals, it should be assumed that the type of account advertised in the 1997 advertisement is prior art, but that applicants reserve their right to challenge this assumption in any subsequent non-prosecution litigation proceedings.

In the advertised and implemented service in 1997 actually used, the customer interfaced directly with the subscription DDA registered to The Reserve (the assignee) in the Chase Manhattan Bank by means of Reserve checks drawn to this DDA account. Funds from this subscription DDA were then transferred to the MMDA registered in the name of The Reserve also at the Chase Manhattan Bank. There was no other bank involved. Thus, neither the 1997 advertisement nor its system or method implementation practiced the claimed invention with the intermediary bank feature prior to the 1998 priority date.

‘053 INQUIRY 2: additional information is required regarding the date of the first offer to sell of the services covered by the claimed invention, including, without limitation, any and all offers to sell, regardless of acceptance, prior to October 21, 1997; and the date of the solicitation or offer that resulted in the opening of the initial account opened on October 23, 1997?

Ans:--As noted above, for purposes of the present patent application prosecution including patent prosecution appeals, it should be assumed that the type of account advertised in the 1997 advertisement is prior art, but that applicants reserve their right to challenge this assumption in any subsequent non-prosecution litigation proceedings.

Per the above, the first time The Reserve implemented a system where one bank was an intermediary bank holding a subscription account to receive funds from a plurality of customers, and then forwarding those funds to an FDIC-insured deposit account (MMDA) at a different bank was April 2001. The Chase Manhattan Bank operated as the intermediary bank and Centurion Bank in April 2001 and Irwin Union Bank in July 2001 were used as respective banks with a deposit account (MMDA) with FDIC insurance that were supplied with deposits from the Chase Manhattan intermediary bank. The agreement with Centurion Bank was signed on April 26, 2001 and the agreement with Irwin Union Bank was signed on July 9th, 2001. Initial communications with Centurion Bank (American Express) and Irwin Union Bank were made well after the 1998 priority date. A first mailer was created and approved for use by The Reserve in August 2001 for accounts with \$200K of FDIC insurance. See **Exhibit A**. A subsequent press release for accounts with \$200K of FDIC insurance was issued on October 8, 2001. See **Exhibit B**.

‘053 INQUIRY 3: additional information is required regarding the product associated with the initial account opened on October 23, 1997, in particular, details regarding how that product relates to the claimed invention?

Ans:--As noted above, the individual clients could deposit or withdraw funds against the subscription DDA on the books of the Chase Manhattan Bank held in the name of The Reserve, the assignee. Funds from this subscription DDA were then transferred to the

MMDA registered an noted previously also at the Chase Manhattan Bank. The claimed invention with its intermediary bank feature was not used until April 2001.

‘053 INQUIRY 4: additional information is required regarding the product offered for sale in the advertisement published in the October 1997 issue of MUTUAL FUNDS, in particular, details regarding how the offered product relates to the claimed invention?

Ans:--This was answered in the response to Inquiry 3. There is no difference between the products offered for sale in the advertisement of the October 1997 issue of Mutual Funds and the product associated with the initial account opened on October 23, 1997. The claimed invention with its intermediary bank feature was not used until April 2001.

‘053 INQUIRY 5: additional information is required regarding any relevant dates and product information regarding the creation and placement of the advertisements disclosed in the IDS?

Ans:--As noted above, for purposes of the present patent application prosecution including patent prosecution appeals, it should be assumed that the type of account advertised in the 1997 advertisement is prior art, but that applicants reserve their right to challenge this assumption in any subsequent non-prosecution litigation proceedings. Applicants are not aware of any product information relating to the advertisement other than what was disclosed in the IDS’ and the current response and Declarations.

‘053 INQUIRY 6: any other relevant information regarding the public use and/or sale of the claimed invention prior to October 21, 1997.

Ans:--As noted above, the claimed invention was not in public use and/or on sale prior to October 21, 1997.

Additionally, the examiner should be aware that a similar query for more information was received in serial number 09/677,535 (filing date 10/02/00) with related claims. A Response similar to the above was provided.

Finally, note that hindsight use of applicants' claims as a roadmap would be required for someone of ordinary skill to modify the single bank process of the 1997 advertisement and arrive at a system that uses an intermediary bank to distribute deposit funds to an FDIC-insured interest-bearing deposit account at another bank. In one embodiment, this allows aggregations of demand account funds from multiple retail customers to be distributed via a decision-making process and funneled by the intermediate bank to an FDIC-insured MMDA in a different bank in a different region in a controlled manner. In one embodiment, the decision-making process on whether to forward to a regional bank could be based on one or more criteria, such as for example, an amount of funds a given client had in a particular FDIC insured deposit institution, or the number of withdrawals made from a given account at the given FDIC insured deposit institution over the last month. This is counter-intuitive from a business standpoint, as a bank normally would not be willing to give deposits from its customers to another bank to use for that other bank's banking purposes. Additionally, from a bank viewpoint, this system and method provides a mechanized way for a regional bank with an MMDA to gain access to deposit funds in another region via becoming a designation bank for an intermediary bank. For example, a regional bank in Peoria, Illinois, after it joined the system and after The Reserve opened an MMDA at that bank, would have access and the use of deposit funds from New York depositors of the intermediary bank (but not the underlying customer data, i.e., the Peoria bank would not know the identities or account numbers of the underlying customers in New York). There is nothing that suggests such a modification to the system implementing the 1997 advertisement. Thus, the use of multiple banks, each with an FDIC-insured deposit account, with a system for managing deposits to and withdrawals from these multiple accounts was not disclosed or suggested by the cited Advertisement or the actual implementation by The Reserve prior to the 1998 priority date.

The office action of May 18, 2007 provided a rejection of selected claims under 35 USC 112, second paragraph, for indefiniteness. This rejection has been obviated by the following amendments:

All occurrences of "each account" and "each demand account" and "each transaction account" have been amended to -- each of the plurality of the demand accounts— and --

each of the plurality of the demand accounts-- and --each of the plurality of transaction accounts-- respectively.

Likewise, in claim 1 the paragraph containing the phrases “using the determination” and “preserving that account’s interest-bearing status” have been changed to separate paragraphs as follows: --withdrawing funds from said single insured money market deposit account based on the net transaction and by way of an intermediate bank;-- and --preserving via a manner of making the transfers and/or withdrawals from said single insured money market deposit account the interest-bearing status of the single insured money market deposit account regardless of the number of said transfers and/or withdrawals from said single insured money market deposit account actually made during a month.-- Comparable changes have also been made in the other independent claims, as appropriate.

The recitation “updating the database” in claim 1 has been changed to --updating the database based on the interest paid to and clients' deposits to and withdrawals from each of their demand accounts.-- Comparable changes have been made in other claims, as appropriate.

The recitation in claim 16 “that preserves said insured interest-bearing status” has been changed to --preserving, via a manner of making transfers and/or withdrawals by way of an intermediate bank from said single insured money market deposit account, the interest-bearing status of the single insured money market deposit account regardless of the number of said transfers and/or withdrawals from said single insured money market deposit account actually made during a period.—

The recitation in claim 32 (previously claim 43) “wherein more than six (6) transfers” has been changed to --preserving the interest-bearing status of the single insured money market deposit account after more than six (6) transfers and/or withdrawals are made during a month from said single insured money market deposit account.—

In claim 41, paragraph (e) has been changed to --e. managing said insured deposit account by assessing the aggregate activity of said plural client transaction accounts for a respective period and calculating an asset adjustment to said insured deposit account to

permit adjustment of the amount in said insured deposit account by way of an intermediate bank, wherein said managing the insured deposit account comprises allowing more than six (6) asset adjustment transfers and/or withdrawals to be actually made during a month from said insured deposit account providing a return on assets.--

Appropriate changes have also been made to claims 51, 60, 69, and 75.

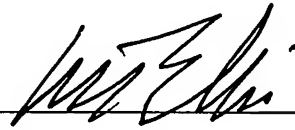
Applicants request prompt consideration and early allowance if this reissue.

Should additional fees be necessary in connection with the filing of this paper, or if a petition for extension of time is required for timely acceptance of same, the Commissioner is hereby authorized to charge Deposit Account No. 19-0741 for any such fees; and applicant(s) hereby petition for any needed extension of time.

Respectfully submitted,

Date July 18, 2007

By _____



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